

PHMC Contract Overview

**B. J. Hanni, President and Chief Executive
Officer/(509) 372-2683**



***Inside HAMMER's
nearly completed
State Department
Building***



***Sand /salt shed
west of 300 Area***



***Ready to pour concrete for 2701-HV
Secondary Alarm Station Addition
(supports Interim Storage Area
upgrades)***

Overview

This section of the report is intended to provide an executive-level performance overview. Unless otherwise noted, all information is as of January 2009.

Included in this section are descriptions of significant accomplishments considered to have made the greatest contribution toward safe, timely, and cost-effective progress against the contract with RL; project cost summary analysis; and overviews of safety and critical issues that identify the high-level challenges to achieving cleanup progress.

Notable Accomplishments

Safeguards and Security (PBS RL-0020)

- RL held an inspection out-brief of the Security Education and Awareness Program. All program elements were rated satisfactory with no weaknesses, issues, or findings. The RL staff was highly complimentary of the program, stating they believed it to be one of the best in the DOE Complex.
- Completed Washington State Defensive Tactics Field Instructor Certification course.
- Awarded fixed price contract for the Outside Storage Unit [RL-013 Funded].
- Completed Classified Computer Security Value Engineering Workshop.

Nuclear Facility Decontamination and Decommissioning (D&D), Remainder of Hanford (PBS RL-0040)

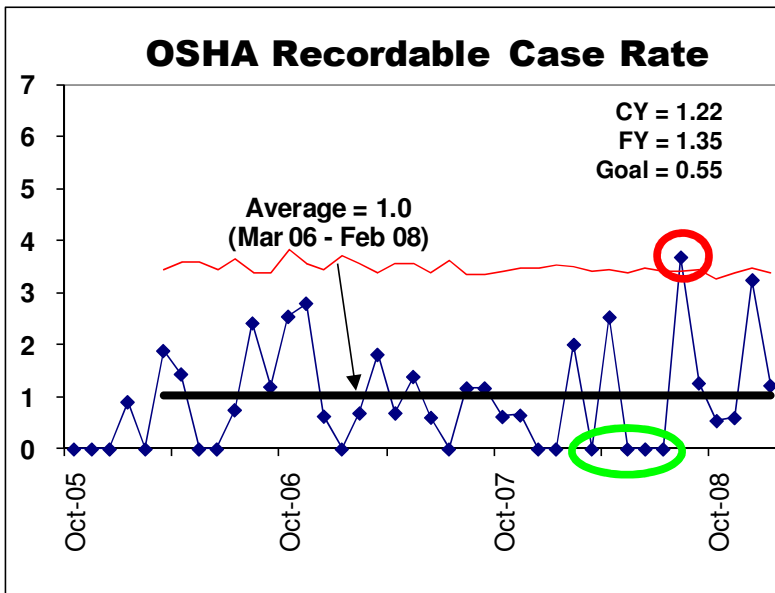
- **Reliability Projects**
 - Completed construction and equipment installation for Project L-614, *Repeater Sites Safety Renovations*.
 - Completed construction for Project L-449, *Mortar Line 12-inch Potable Water Line*.
 - Completed definitive design for Projects L-645, *609 Fire Station 91 Potable Water System*, L-399, *T-Plant Potable and Raw Water Restoration*, and ET50, *Hanford Local Area Network Upgrade, Phase 1*.
 - Implementation of Supplemented Contractor Requirements Document (SCRD) 430.1B:
 - Completed Draft A of Ten -Year Site Plan.
 - Received RL concurrence to proceed with Condition Assessment Survey implementation strategy.
 - Completed inspection of 30 of 200 planned facilities as scheduled.
- **HAMMER**
 - Construction continues on the State Department Building at HAMMER, with completion scheduled by February 27, 2009.
 - Conducting Columbia Basin College Fire Recruit training at HAMMER for the winter quarter.

Safety Overview

The focus of this section is to document trends in occurrences. FH continues to focus on improving safety through the efforts of the PHMC workforce as they implement the Integrated Environmental Safety and Health Management System, work towards achieving and maintaining Voluntary Protection Program "Star" status, and accomplish work through enhanced work planning. Safety and health statistical data is presented below. The safety charts are reported according to Occupational Safety and Health Administration (OSHA) standards.

NOTE: Fiscal Year 2009 started October 1, 2008. These charts reflect the work scope of the PHMC with the Plateau Remediation Contract scope removed. Both the current and the historic data have been revised to reflect the PHMC scope.

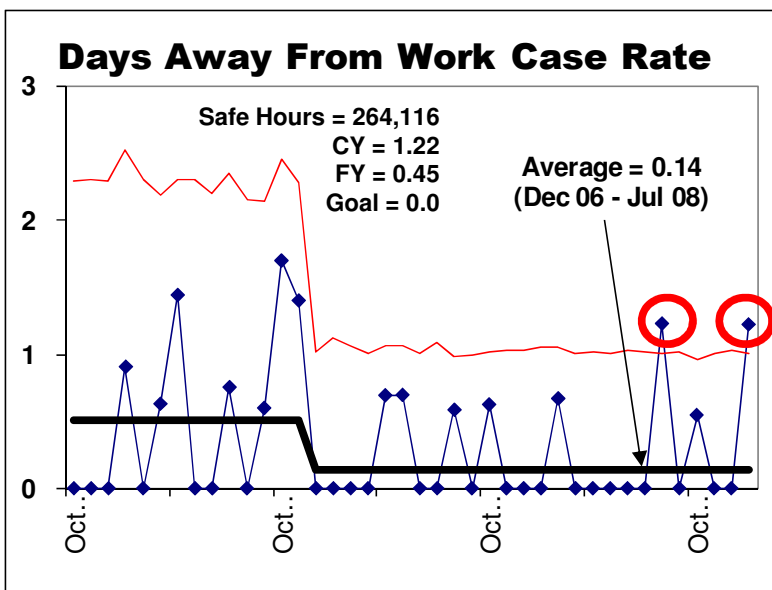
Total OSHA Recordable Case Rate:



There were two OSHA injuries reported in January. Both were related to slips and falls on snow and ice, and both resulted in days away from work.

In addition, a case from November 2008 was reclassified to OSHA recordable.

OSHA Days Away From Work (DAFW) Case Rate:

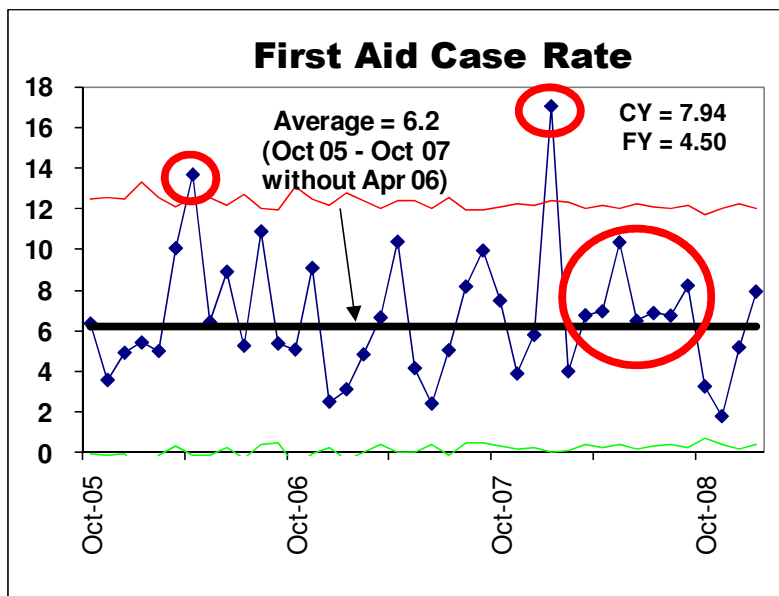


The two new DAFW cases in January brought the total up to three for the fiscal year, and to a calendar-year case rate of 1.22, which is above the Upper Control Limit.

Assertive actions, especially related to ice and snow issues, are being pursued to limit further DAFW injuries. One action being taken is the purchase of special slip-resistant footwear for employees.

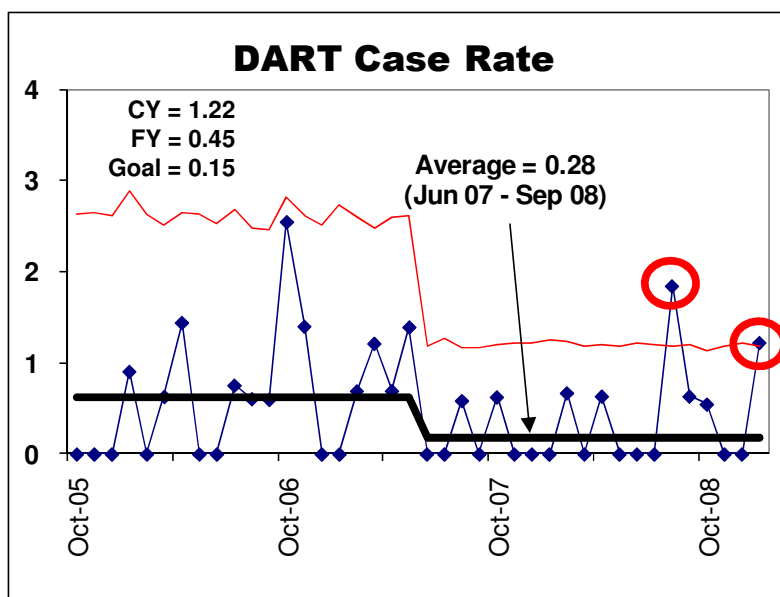
Safety Overview, continued

First Aid Case Rate:



The First Aid rate, after being nearly significantly low in October and November 2008, returned to above baseline in January 2009.

Days Away Restricted/Transferred (DART) Case Rate:



The two DAFW cases also count as DART cases for January, and also drove this chart above the Upper Control Limit.

Schedule/Cost Performance (\$M)

Both Current Month and Fiscal Year to Date performance is presented below. Variances addressed are at the Fiscal Year to Date level.

Current Period (January)	Budgeted Cost of Work Scheduled	Budgeted Cost of Work Performed	Actual Cost of Work Performed	Schedule Variance \$	Schedule Variance %	Cost Variance \$	Cost Variance %	Budget At Completion
RL-0020 Safeguards & Security	\$5.6	\$5.6	\$5.4	\$0.0	-0.4%	\$0.2	3.7%	\$68.1
RL-0040 Nuclear Facility D&D, Remainder of Hanford	\$1.0	\$0.9	\$1.0	-\$0.1	-11.6%	-\$0.1	-13.2%	\$17.2
General Site Services	\$10.4	\$10.2	\$8.1	-\$0.2	-1.9%	\$2.1	20.6%	\$170.6
Subtotal Sub-project Work scope	\$17.0	\$16.7	\$14.5	-\$0.3	-2.0%	\$2.2	13.1%	\$256.0
400.01.01 Request for Services (RFSs)	\$1.3	\$1.3	\$1.6	\$0.0	0.0%	-\$0.3	-23.0%	\$21.2
400.01.02 HAMMER RFSs	\$0.3	\$0.3	\$0.7	\$0.0	0.0%	-\$0.3	-95.6%	\$2.2
400.01.03 National Guard Bureau RFS	\$0.0	\$0.0	\$0.0	\$0.0	0.0%	\$0.0	0.0%	\$0.0
400.02.01 WFO Transfers - CHPRC	\$3.7	\$3.7	\$4.0	\$0.0	0.0%	-\$0.2	-5.8%	\$36.6
400.02.02 WFO Transfers - WRPS	\$0.5	\$0.5	\$0.5	\$0.0	0.0%	-\$0.1	-10.8%	\$4.9
400.02.03 WFO Transfers - CHG Closeout	\$0.0	\$0.0	\$0.0	\$0.0	0.0%	\$0.0	0.0%	\$0.0
400.03.01 WFO Non-Transfers - PNNL	\$0.1	\$0.1	\$0.4	\$0.0	0.0%	-\$0.3	-196.1%	\$1.4
400.03.02 WFO Non-Transfers - BNI	\$0.0	\$0.0	\$0.0	\$0.0	0.0%	\$0.0	46.5%	\$0.1
400.03.03 WFO Transfers - AMH	\$0.0	\$0.0	\$0.0	\$0.0	0.0%	\$0.0	-27.6%	\$0.2
400.03.04 WFO Transfers - ATL	\$0.0	\$0.0	\$0.0	\$0.0	0.0%	\$0.0	36.6%	\$0.1
400.03.05 WFO Transfers - WCH	\$0.7	\$0.7	\$0.6	\$0.0	0.0%	\$0.1	16.6%	\$2.5
Total Work For Others	\$6.7	\$6.7	\$7.7	\$0.0	0.0%	-\$1.0	-15.6%	\$69.1
Total FH Contract Work scope	\$23.7	\$23.3	\$22.2	-\$0.3	-1.4%	\$1.1	4.9%	\$325.0

Variance threshold is +/- \$1M or 10%

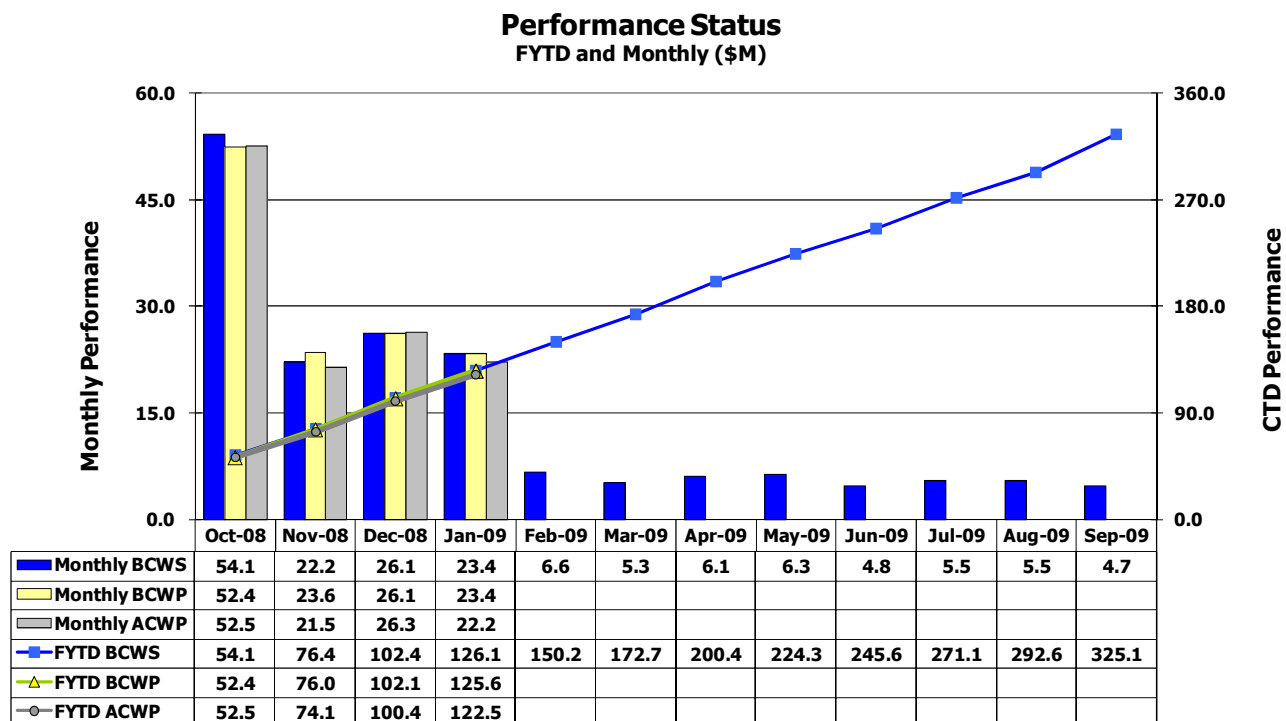
Fiscal Year 2009 To Date	Budgeted Cost of Work Scheduled	Budgeted Cost of Work Performed	Actual Cost of Work Performed	Schedule Variance \$	Schedule Variance %	Cost Variance \$	Cost Variance %	Budget At Completion (thru FY 2008)
RL-0020 Safeguards & Security	\$21.7	\$21.2	\$19.9	-\$0.6	-2.5%	\$1.3	6.1%	\$68.1
RL-0040 Nuclear Facility D&D, Remainder of Hanford	\$5.0	\$5.4	\$5.4	\$0.4	8.6%	\$0.0	-0.7%	\$17.2
General Site Services	\$77.2	\$76.7	\$72.0	-\$0.4	-0.6%	\$4.8	6.3%	\$170.6
Subtotal Sub-project Work scope	\$103.9	\$103.3	\$97.3	-\$0.6	-0.6%	\$6.0	5.8%	\$256.0
400.01.01 Request for Services (RFSs)	\$6.5	\$6.5	\$5.9	\$0.0	0.0%	\$0.6	9.9%	\$21.2
400.01.02 HAMMER RFSs	\$1.7	\$1.7	\$1.4	\$0.0	0.0%	\$0.3	19.8%	\$2.2
400.01.03 National Guard Bureau RFS	\$0.0	\$0.0	\$0.0	\$0.0	0.0%	\$0.0	0.0%	\$0.0
400.02.01 WFO Transfers - CHPRC	\$10.4	\$10.4	\$13.3	\$0.0	0.0%	-\$2.9	-27.7%	\$36.6
400.02.02 WFO Transfers - WRPS	\$1.6	\$1.6	\$1.9	\$0.0	0.0%	-\$0.3	-16.6%	\$4.9
400.02.03 WFO Transfers - CHG Closeout	\$0.0	\$0.0	-\$0.1	\$0.0	0.0%	\$0.1	0.0%	\$0.0
400.03.01 WFO Non-Transfers - PNNL	\$0.7	\$0.7	\$1.5	\$0.0	0.0%	-\$0.8	-113.6%	\$1.4
400.03.02 WFO Non-Transfers - BNI	\$0.0	\$0.0	\$0.0	\$0.0	0.0%	\$0.0	12.3%	\$0.1
400.03.03 WFO Transfers - AMH	\$0.1	\$0.1	\$0.1	\$0.0	0.0%	\$0.0	-15.6%	\$0.2
400.03.04 WFO Transfers - ATL	\$0.0	\$0.0	\$0.0	\$0.0	0.0%	\$0.0	60.4%	\$0.1
400.03.05 WFO Transfers - WCH	\$1.2	\$1.2	\$1.3	\$0.0	0.0%	-\$0.1	-11.5%	\$2.5
Total Work For Others	\$22.2	\$22.2	\$25.3	\$0.0	0.0%	-\$3.0	-13.6%	\$69.1
Total FH Contract Work scope	\$126.1	\$125.6	\$122.5	-\$0.6	-0.4%	\$3.0	2.4%	\$325.1

Variance threshold is +/- \$1M or 10%

FYTD Schedule Performance: Fiscal year to date contract schedule performance reflected a -\$0.6M/-0.4 percent unfavorable variance, and is within thresholds.

FYTD Cost Performance: Fiscal year to date contract cost performance reflected a +\$3.0M/+2.4% percent variance. The most significant cost variances are discussed in Section C, *Safeguards and Security*, and Section D, *General Site Services*.

Schedule/Cost Performance (\$M), continued



Milestone Performance

Hanford Federal Facility Agreement and Consent Order (abbreviated and referred to as the "Tri-Party Agreement") milestones represent significant events in project execution. DOE Enforceable Agreement milestones were established to provide high-level visibility to critical deliverables and specific status on the accomplishment of these key events. The FY 2009 Enforceable Agreement milestone information provided herein is based upon the current baseline including RL-approved changes. Changes from month-to-month in both the total number of milestones to be completed and in the forecast status of upcoming milestones are the result of Baseline Change Request (BCRs) approved during the reporting period.

As of October 1, 2008, the PHMC has only one Tri-Party Agreement milestone due in FY 2009: M-026-01S, *Annual Hanford Land Disposal Restrictions Summary Report*, due on April 30, 2009.

Note: the table below reflects data from the Hanford Site Technical Database.

MILESTONE TYPE	FISCAL YEAR-TO-DATE				REMAINING SCHEDULED			
	Completed Early	Completed On Schedule	Completed Late	Overdue	Forecast Early	Forecast On Schedule	Forecast Late	Total FY 2009
Enforceable Agreement	0	0	0	0	0	1	0	1

Government Furnished Services/Items

Listed below are the near-term RL action/commitments required to support FH's accelerated cleanup. Only data for the next 30 days (including any open GFS/I from prior periods) are shown. Items highlighted in "gold" reflect the affected Performance Incentive (PI). Items in "pink" reflect an overdue status. NOTE: GFS/I data is through February 27, 2009.

Ref ID	SOW Section	WBS Scope	Responsibility	Requirement	GFS/GFI	RL Letter No. & Date Completed	FH Submittal
							FH Letter No. & Date Completed
There are no GFS/I action/commitments required within the next 30 days.							

Contract Deliverables

Listed below are the near-term FH Contract Deliverable action/commitments required to support FH's accelerated cleanup. Only data for the next 30 days (including any open Contract Deliverables from prior periods) are shown. Items highlighted in "gold" reflect the affected PI. Items in "pink" reflect an overdue status. NOTE: All contract deliverable data is through February 27, 2009, with a seven-day grace period.

Ref ID	SOW Section	WBS Scope	Responsibility	Requirement	Deliverable	FH Letter No. & Date Completed	Needed GFS/GFI
							RL Letter No. & Date Completed
CD0114	PHMC.C.4.2.41.DELIVERABLES.DELIVERABLES/COMPLETIONS	020.01.01.06 Material Control and Accountability	• Safeguards & Security	• PHMC.C.4.2.41.DELIVERABLES	Nuclear Material Accountability Transaction Data Report Due: Monthly		
					Nuclear Material Accountability Transaction Data Report (Feb 2009) Planned: 12 March 2009		
CD0115	PHMC.C.4.2.41.DELIVERABLES.DELIVERABLES/COMPLETIONS	020.01.01.07 Safeguards & Security	• Safeguards & Security	• PHMC.C.4.2.41.DELIVERABLES	Nuclear Material Balance Report Due: Monthly		
					Nuclear Material Balance Report (Feb 2009) Planned: 15 March 2009		
CD0152	PHMC.C.5.1.1.DELIVERABLES.DELIVERABLES/COMPLETIONS	000.04.03 Environmental Protection	• Environment, Health, Safety, & Quality	• PHMC.C.5.1.1.DELIVERABLES	Portable and Temporary Radioactive Air Emission Units (PTRAEU) & Heating & Ventilation Units(HVU Annual) Report Due:		
					Portable and Temporary Radioactive Air Emission Units (PTRAEU) & Heating & Ventilation Units(HVU Annual) Report (2009) Planned: 27 February 2009		
CD0157	PHMC.C.5.1.1.DELIVERABLES.DELIVERABLES/COMPLETIONS	000.04.03 Environmental Protection	• Environment, Health, Safety, & Quality	• PHMC.C.5.1.1.DELIVERABLES	Hanford Site Annual Dangerous Waste and Annual Waste Treatability Study Reports Due: Annually		
					Hanford Site Annual Dangerous Waste and Annual Waste Treatability Study Reports (2009) Planned: 21 February 2009		
CD0161	PHMC.C.5.1.1.DELIVERABLES.DELIVERABLES/COMPLETIONS	000.04.03 Environmental Protection	• Environment, Health, Safety, & Quality	• PHMC.C.5.1.1.DELIVERABLES	Underground Storage Tank Master License Renewal Application Due: Annually		
					Underground Storage Tank Master License Renewal Application (2009) Planned: 16 March 2009		

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Contract Deliverables, continued

Ref ID	SOW Section	WBS Scope	Responsibility	Requirement	Deliverable	FH Letter No. & Date Completed	Needed GFS/GFI
							RL Letter No. & Date Completed
CD0169	PHMC, C.5.3.4, DELIVERABLES, DELIVERABLES/COMPLETIONS	000.16.17 Contract Reporting (Baseline)	• Project Systems & Support	• PHMC, C.5.3.4, DELIVERABLES	Contract Performance Report Due: Monthly		
					Contract Performance Report (Jan 2009) Planned: 27 February 2009		
CD0173	PHMC, C.5.3.1, DELIVERABLES, DELIVERABLES/COMPLETIONS	000.15.02 Accounting System	• Business Services	• PHMC, C.5.3.1, DELIVERABLES	Financial Information System (FIS) Management & Reporting System (MARS) Due: Month-End Deadlines		
					Financial Information System (FIS) Management & Reporting System (MARS) (Feb 2009) Planned: 10 March 2009		
CD0179	PHMC, C.5.3.1, DELIVERABLES, DELIVERABLES/COMPLETIONS	000.15.02 Accounting System	• Business Services	• PHMC, C.5.3.1, DELIVERABLES	Contract Funds Status Report Due: Monthly		
					Contract Funds Status Report (Feb 2009) Planned: 27 March 2009		
CD0271	PHMC, C.5.3.1, DELIVERABLES, DELIVERABLES/COMPLETIONS	000.15.02 Accounting System	• Business Services	• PHMC, C.5.3.1, DELIVERABLES	Depreciation Charges Due: Monthly		
					Depreciation Charges (Feb 2009) Planned: 10 March 2009		
CD0281	PHMC, C.5.3.1, DELIVERABLES, DELIVERABLES/COMPLETIONS	000.15.02 Accounting System	• Business Services	• PHMC, C.5.3.1, DELIVERABLES	Fluor Hanford, Inc., Cost Submittal FHXXXX Due: Monthly		
					Fluor Hanford, Inc., Cost Submittal FHXXXX (Feb 2009) Planned: 10 March 2009		
CD0300	PHMC, C.4.2.52, DELIVERABLES, DELIVERABLES/COMPLETIONS PHMC (M327), C.4.2.52, DELIVERABLES, DELIVERABLES/COMPLETIONS	000.11.04 Utilities Operations and Maintenance--Water Compliance and Sampling	• Closure Services & Infrastructure	• PHMC, C.4.2.52, DELIVERABLES • PHMC (M327), C.4.2.52, DELIVERABLES	200E, 200W Area Drinking Water Report Due: Monthly		
					200E, 200W Area Drinking Water Report (Feb 2009) Planned: 10 March 2009		
CD0414	PHMC, C.5.3.1, DELIVERABLES, DELIVERABLES/COMPLETIONS	000.15.02 Accounting System	• Business Services	• PHMC, C.5.3.1, DELIVERABLES	Supplemental Compensation Report Due: Annually		
					Supplemental Compensation Report (2009) Planned: 03 March 2009		

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Contract Deliverables, continued

Ref ID	SOW Section	WBS Scope	Responsibility	Requirement	Deliverable	FH Letter No. & Date Completed	Needed GFS/GFI
							RL Letter No. & Date Completed
CD0581	PHMC.C.4.2.19.DELIVERABLES.DELIVERABLES/COMPLETIONS	000.15.02 Accounting System	• Business Services	• PHMC.C.4.2.19.DELIVERABLES	Hanford Site Pension Plans and Savings and Investment Plans - Investment Performance Review Report Due: 60 days following the end of each quarter.		
					Hanford Site Pension Plans and Savings and Investment Plans - Investment Performance Review Report (4th Qtr CY2008) Planned: 02 March 2009		
CD0594	PHMC.C.4.2.50.DELIVERABLES.DELIVERABLES/COMPLETIONS	000.11.05 Utilities Operations and Maintenance--Electrical Utilities	• Closure Services & Infrastructure	• PHMC.C.4.2.50.DELIVERABLES	Breakdown (by contractor) of BPA power and transmission billing. Due: Monthly		
					Breakdown (by contractor) of BPA power and transmission billing (Jan 2009) Planned: 23 March 2009		
CD0604	PHMC.C.5.9.7.DELIVERABLES.DELIVERABLES/COMPLETIONS	000.04.03 TPA Support	• Environment, Health, Safety, & Quality	• PHMC.C.5.9.7.DELIVERABLES	TPA milestone status reports and statistics Due: Monthly		
					TPA milestone status reports and statistics (Feb 2009) Planned: 16 March 2009		